

**Federal Family Educational Loan (FFEL) Program- Reconciling the Guaranty Agency (GA) data
in the Financial Management System (FMS) subsidiary ledger to the Financial Management
Servicing System (FMSS)**

How does reconciling the FMS sub-ledger to the FMSS process work?

The process involves 5 basic steps:

1. Obtaining the trial balances files necessary for the reconciliation
2. Reconciling the trial balances
3. Making the necessary adjustments
4. Obtaining supervisory review and approval
5. Filing the documentation

What does this document do?

This document specifies the procedure for reconciling the GA data in the FMS sub-ledger to the FMSS standard general ledger reporting system. Reconciliations are prepared for *1010 Cash, 1300 Receivables, 2100 Liability & 4000 Budgetary accounts*.

What is the policy on reconciling the FMS sub-ledger to the FMSS reporting system?

The FMS sub-ledger should be reconciled to the FMSS to verify that the GA transactions in the FMS sub-ledger are accurately posted to the FMSS.

Who must follow the procedures in this document?

All members in the Chief Financial Officer (CFO) – Accounting Division (AD), must comply with these procedures for the process to which it relates.

5 Basic steps for reconciling the FMS sub-ledger to FMSS:

1) Obtain the FMS and FMSS trial balances

As an AD member you must:

When?
Monthly

- (a) After the FMSS general ledger is closed for the month, obtain a copy of the current month trial balance from OCFO via e-mail.
- (b) After the FMS subsidiary ledger is closed for the month, obtain a copy of the current month trial balance from the FMS system or by running Discoverer. Discoverer may be used for specific accounts and/or object classes.

2) Reconciling the General Ledger (FMSS) to the Subsidiary Ledger (FMS)

As an AD member you must:

When?
After obtaining the month end T/Bs

- (a) Obtain copies of the previous month Excel spreadsheets for the FFEL reconciliation.
- (b) Update the spreadsheet with the current month balances from FMS and FMSS.
- (c) The spreadsheet will show any differences between FMS and FMSS.
- (d) Research the differences in FMS usually by informing FMS Division staff then ask for assistance and determine if any adjustments needs to be made.

3) Making the necessary adjustments
As an AD member you must:

When?

When a permanent
difference has been identified

- (a) Adjustments or corrections are generally made in FMS which are done by AD staff.
- (b) If a manual adjustment has to be made to FMSS, AD will prepare an FMSS Data Input Sheet with the adequate explanation.
- (c) Obtain the supervisory approval prior to submitting to ED OCFO.

4) Obtaining supervisory review and approval
As an AD member you must:

When?

After the reconciliation and
related adjustments are complete

- (a) Deliver the reconciliation worksheet, trial balances, support for differences, journal vouchers and related support to the Team Lead for review and signature.
- (b) Team lead reviews and signs the reconciliation worksheet and journal vouchers. The reconciliation worksheet review should include, mathematical accuracy, agreeing balances reported on the reconciliation to the trial balance, differences to supporting documentation and reasonableness. The journal voucher review should include mathematical accuracy, accuracy of entry, adequacy of explanation, supporting documentation and reasonableness.

5) Filing the documentation
As an AD member you must:

When?

After supervisory review and signature

- (a) File copies of the reconciliation worksheets, trial balances, support for differences, journal vouchers and related support.